



State of Tennessee Department of Children's Services

Administrative Policies and Procedures: 3.8

Subject: Receipt of Cash Items and Deposit Practices

Supersedes: DYD 2.2, 07/01/95

Local Policy: No

Local Procedures: No

Training Required: No

Approved by:

Effective date: 12/31/99

Revision date:

Application

To All Directors, Superintendents, Fiscal Officers, and Regional Administrators.

Authority: TCA 37-5-106, TCA 9-4-301, TCA 9-4-302

Policy

All cash items (checks, warrants, money orders, and currency) shall immediately be receipted, safeguarded, recorded and deposited into the state treasury, to the account of the state treasury in a bank designated as a state depository, or to the appropriate departmental account, if authorized.

Procedures

A. Appointment of duties

1. Number of employees involved

To maintain a segregation of duties, the fiscal officer shall appoint/authorize at least three employees (herein referred to as "*designated staff*" for the remainder of this policy) to be involved in cash receipts transactions.

2. Segregation of duties

- a) One employee must write receipts for cash received and maintain the cash receipts ledger(s).
- b) One employee must prepare the deposit slips and make the deposits. This employee may also record deposits in the ledger.
- c) One employee must reconcile the ledger(s) to the records of the Department of Finance and **Administration, Division of Accounts.**

B. Receipt of cash items**1. Form**

- a) Upon receiving cash items, designated staff authorized/appointed by the fiscal officer must immediately prepare and record the cash items received on a pre-numbered receipt, FA-0628, *State of Tennessee Cash Receipt Voucher*.
- b) Designated staff must complete all pertinent information on the pre-numbered receipts which includes:
 - ◆ Date of receipt
 - ◆ Name of department
 - ◆ Office/division
 - ◆ Received of (from whom cash received)
 - ◆ How paid (check, money order, etc.)
 - ◆ Received by (name of employee)
 - ◆ Title (job title of employee)
- c) All checks must be stamped "*For deposit only to the State of Tennessee*" immediately upon receipt.
- d) Different pre-numbered receipt books must be used for money received for youth and money received to be deposited to the State of Tennessee.

2. Voids

Designated staff must retain all voided pre-numbered receipts for audit purposes.

3. Integrity of receipt books

Designated staff must keep any unused books of pre-numbered receipts in a secure area with limited access and must issue the receipts in numerical sequence.

4. Further documentation and requirements

Designated staff must:

- a) Retain a copy of the pre-numbered receipt along with any pertinent information to identify the source of money received.
- b) Post all money received for an in-house trust fund to the youth's account within 24 hours of receipt.
- c) Immediately receipt and deposit all money received from a youth's wages in a savings account or trust fund account for the youth.

C. Security

1. Prior to deposit

Designated staff must secure all cash items in an officially designated and secure location until they are deposited.

2. For trust fund monies

Designated staff must secure funds received for an in-house trust fund in a safe or in a secure, locked area at all times.

D. Deposits

1. Deposits

Designated staff must deposit all cash items as received (i.e., *if the cash item is for \$25.25, it should be deposited as such*). Cash items must not be used to cash checks or to procure goods and services.

2. Deposit slips

For deposits made to the State of Tennessee designated staff must prepare a deposit slip that contains the following for all cash items:

- a) correct state account code
- b) correct bank code

3. Certificate of Deposit

A certificate of deposit must be prepared that contains the following for all cash items:

- a) The receipt numbers that make up the deposit
- b) The fiscal officer or designee's signature
- c) Fiscal officer/designee must ensure that an authorized employee of the bank signs the deposit slip; the bank retains the white portion of the deposit slip
- d) The designated staff must ensure that an authorized employee of the bank signs the deposit slip; the bank retains the white portion of the deposit slip.

4. Timing of deposits

- a) Fiscal officers or designees of youth development centers, TPS, regional offices and central offices must ensure, as per F & A Policy 25, all deposits shall "*immediately*" be deposited within 24 hours after \$500.00 has been accumulated or 5 working days if more than \$100.00 but less than \$500.00 has been accumulated, provided that the funds to be deposited are secured under lock and key. Accumulated funds of \$100.00 or less, secured under lock and key, are to be deposited at least once each calendar

month. If funds cannot be secured under lock and key, "immediately" means the same day.

- b) DCS facilities and offices with enterprise or sales operations that maintain change funds, the amounts referred to above are considered the funds in excess of the established change fund amount.
- c) If DCS community residential facilities does not make deposits to the State of Tennessee (certificates of deposit), the fiscal officer/designee must record on a log the name, purpose, and amount of any monies (except those received on behalf of youth) and then send the funds to the central office fiscal and administrative services.

5. Processing deposits

- a) Designated staff of youth development centers and Tennessee Preparatory School must:
 - ◆ Batch deposit slips within 2 business days of the deposit and enter them into the *State of Tennessee Accounting and Reporting System*.
 - ◆ Send the pink and green copies of the deposit slip with a batch header slip to the central office fiscal and administrative services division.
- b) Central office fiscal and administrative services will audit the deposit slip, close the batch in STARS and send the pink copy to Finance and Administration. The green copy will be retained in the central office files.
- c) Regional offices that make deposits should send deposit slips to central office fiscal and administrative services no later than 24 hours after deposit is made.
- d) Central office fiscal and administrative services must batch deposit slips within 5 business days of the deposit and enter them into the *State of Tennessee Accounting and Reporting System*.
- e) Money received for the month should be in that month's deposit and not cross over into the next month.

E. Reconciliation

1. Due monthly

Fiscal officer/designee must prepare a written reconciliation monthly to ensure that the cash receipts are in balance with the records of the Department of Finance and Administration, Division of Accounts.

2. Explanations of discrepancies

If the monthly reconciliation shows that any cash receipts have not been recorded by the Division of Accounts, the fiscal officer or designee shall investigate reasons that

deposits not recorded and note results on reconciliation.
Any major problems must be reported in writing to the
director of fiscal and administrative services or designee.

Forms

FA-0628 Pre-numbered Receipt

Collateral Documents

Department of Finance and Administration Policy 25 - Deposit Practices, 12/19/94

Standards

3-JTS-1B-07

3-JCRF-1B-08

Glossary

<i>Term</i>	<i>Definition</i>
<i>Fiscal officers</i>	person in charge of the fiscal operation of an institution, group home, regional office or central office fiscal division.
<i>STARS</i>	State of Tennessee Accounting and Reporting System.